

March 2<sup>nd</sup>, 2026

The Honorable Kriselda Valderrama  
Chair, House Economic Matters Committee  
230 Taylor House Office Building  
Annapolis, Maryland 21401

**RE: MBIA Letter of Opposition HB 1175 Land Use – Residential Housing – Oversight, Regulation, and Taxation (Building Affordably in My Back Yard Act)**

Dear Chair Valderrama,

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland, appreciates the opportunity to participate in the discussion surrounding **HB 1175 Land Use – Residential Housing – Oversight, Regulation, and Taxation (Building Affordably in My Back Yard Act)**.

While we are in support of the intent of the bill, which is to build more affordable housing and to make housing more affordable in Maryland, MBIA would like to address several concerns we have with HB 1175.

This bill applies to counties with a population of at least 150,000 residents not including any residents of a municipal corporation within the county. This language severely limits the number of jurisdictions that are covered by the bill in an arbitrary way. Many of Maryland’s larger counties have multiple incorporated towns that need more affordable housing, and they will not be included in the scope of the bill. Development should take place in certain areas based on market demand and not be limited by regulation or based on municipal boundaries.

For the first 30 days that a property is offered, sellers will only be able to accept offers from an individual, a community development organization, a nonprofit organization, or a real estate enterprise that owns an interest in less than 3% of all residential real property located within the county in which the property is located. This part of the bill will significantly reduce the pool of qualified buyers and interferes directly with the open housing market. In Maryland, Builders often develop build-to-rent townhouse communities that are extremely affordable for working class families. Rent prices in a build-to-rent townhouse or single-family home are lower than a mortgage payment on a comparable new home. By limiting the pool of available buyers, it will lead to lower land values and fewer viable projects. There is also a segment of Maryland’s population that do not want the transactional cost of owning a home, but do not want to live in an apartment. This product type provides that balance.

The bill also allows a county to implement a transfer tax of up to 5% on rental and non-owner-occupied properties if a county finds that there is a shortfall in total housing units or a class of affordable housing units. This part of the bill is vague and does not clearly define what qualifies as “affordable housing

units.” The transfer tax is also counterproductive to the intention of the bill to make housing more affordable and available to Marylanders. This tax raises acquisition costs for rental housing that will always get passed directly on to tenants through higher rents.

Lastly, HB1175 allows jurisdictions to set a special tax rate for undeveloped, underutilized or vacant land that is zoned for residential or mixed-use development. Developers often buy land and hold it for months or even years while waiting for permits, rezoning approvals, or favorable market conditions. A high, special tax rate on these types of land increases the monthly cost of holding that land and creates less investment opportunities. While the intent of this special tax is to prevent indefinite holds on land, it punishes developers that are active in the by increasing the financial risk and cash flow requirements of holding land during the pre-development phase, a part of the process that is usually lengthy.

For these reasons, MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

cc: Members of the House Economic Matters Committee